

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF RATTLESNAKE RIDGE)
WATER DISTRICT, CARTER, ELLIOTT AND)
LAWRENCE COUNTIES, KENTUCKY, (1) FOR)
A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY AUTHORIZING CONSTRUCTION)
OF MAJOR ADDITIONS AND IMPROVEMENTS TO)
ITS WATER DISTRIBUTION SYSTEM; (2))
SEEKING APPROVAL OF REVISED WATER)
SERVICE RATES AND CHARGES; AND (3))
SEEKING APPROVAL OF THE ISSUANCE OF)
CERTAIN SECURITIES.

CASE NO. 10499

O R D E R

On December 28, 1988, Rattlesnake Ridge Water District ("Rattlesnake") filed an application for a Certificate of Public Convenience and Necessity to construct a \$555,400 waterworks improvement project, approval of its plan of financing for this project, and adjustments to its water service rates. Rattlesnake's application was made pursuant to KRS 278.023 which requires the Commission to approve the application within 30 days of satisfactory completion of the minimum filing requirements.

This project will provide service to 116 additional customers. Project funding includes a \$195,000 loan from the Farmers Home Administration ("FmHA"), a \$325,000 grant from FmHA, and \$35,400 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 5 percent per annum.

The chairman of Rattlesnake certifies that reliable and adequate service can be maintained throughout the expanded system after completion of the proposed construction. The Commission reminds Rattlesnake of its obligation to provide adequate and reliable service to all of its customers. The adequacy of the expanded water distribution system after construction should be monitored. If the level of service is inadequate or declining, or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 6(1), Rattlesnake must take necessary actions to maintain the level of service in conformance with the regulations of the Commission.

On review of the record and being advised, the Commission finds:

1. Pursuant to KRS 278.023, the Commission has no discretionary authority to modify or reject any portion of this application. The application must be approved if the minimum filing requirements have been satisfactorily completed.

2. The minimum filing requirements have been met in this case on January 3, 1989. Rattlesnake's chairman has certified that the project has been designed to meet the construction and operating standards set out in the Commission's regulations.

3. Rattlesnake should monitor the adequacy of the expanded water distribution system after construction. If the level of service is inadequate or declining, or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 6(1), Rattlesnake should take immediate action to bring the system into compliance with the Commission's regulations.

4. Rattlesnake should be granted a Certificate of Public Convenience and Necessity for the proposed construction project. The proposed construction financing plan with FmHA should also be approved.

5. Rattlesnake should require the engineer to furnish within 60 days of the date of substantial completion of this construction a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications.

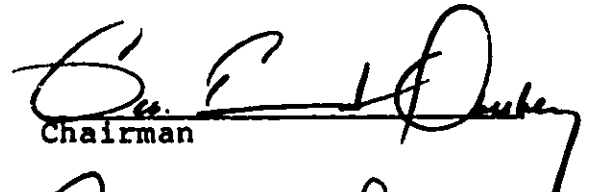
6. Rattlesnake should file the proposed water service rates as set out in Appendix A, attached and incorporated hereto, in accordance to 807 KAR 5:011, within 30 days of the date of this Order.

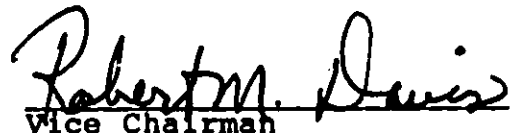
BE IT SO ORDERED.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 20th day of January, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:

Executive Director


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 10499 DATED 1/20/89

The following rates and charges are prescribed for the customers in the area served by Rattlesnake Ridge Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

First 1,000 gallons	\$11.25 Minimum Bill
Next 4,000 gallons	6.50 per 1,000 gallons
Next 5,000 gallons	5.50 per 1,000 gallons
Next 10,000 gallons	4.75 per 1,000 gallons
Over 20,000 gallons	3.25 per 1,000 gallons

Service Connection Fee For Project Described In This Case

<u>Meter Size</u>	<u>Fee</u>
5/8 x 3/4 Inch Meter	\$300